SENATE RECORD VOTE ANALYSIS

104th Congress | May 25, 1995, 6:10 p.m.
1st Session | **Vote No. 232** | Page S-7473 Temp. Record

BUDGET RESOLUTION/Final Passage

SUBJECT: **House Concurrent Budget Resolution for fiscal years 1996-2002 . . . H. Con. Res. 67. Final passage, as amended.**

ACTION: CONCURRENT RESOLUTION AGREED TO, 57-42

SYNOPSIS: As amended and passed, H. Con. Res. 67, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Savings that will accrue from enacting laws to balance the budget (estimated to be $170 billion by the Congressional Budget Office) will be dedicated to a reserve fund, which will be used for tax reductions after enactment of laws to ensure a balanced budget (see vote No. 214). Highlights include the following: the rate of growth in Medicare will be slowed to 7.1 percent; Medicaid's rate of growth will be slowed to 5 percent and it will be transformed into a block grant program; the Commerce Department and 180 other Federal programs, agencies, and commissions will be phased out or eliminated; welfare and housing programs will be reformed; agriculture, energy, and transportation subsidies will be cut; foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

Fiscal Year	Revenues	New Budget Authority (billions)	Outlays	Deficit
1996:	$1,425.9	$1,583.5	$1,583.0	$157.1
1997:	$1,475.9	$1,617.6	$1,603.9	$128.0
1998:	$1,546.9	$1,674.1	$1,644.5	$97.6
1999:	$1,620.7	$1,732.4	$1,706.9	$86.2
2000:	$1,701.0	$1,802.8	$1,775.6	$74.6
2001:	$1,791.0	$1,845.4	$1,820.7	$29.7
2002:	$1,885.3	$1,907.5	$1,884.0	$1.3(surplus)

(See other side)

YEAS (57)

Republicans (54 or 100%)

Abraham, Ashcroft, Bennett, Bond, Brown, Burns, Campbell, Chafee, Coats, Cochran, Cohen, Coverdell, Craig, D'Amato, DeWine, Dole, Domenici, Faircloth, Frist, Gorton, Gramm, Grams, Grassley, Gregg, Hatch, Hatfield, Helms, Hutchison, Inhofe, Jeffords, Kassebaum, Kempthorne, Kyl, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Packwood, Pressler, Roth, Santorum, Shelby, Simpson, Smith, Snowe, Specter, Stevens, Thomas, Thompson, Thurmond, Warner

Democrats (3 or 7%)

Kerrey, Nunn, Robb

NAYS (42)

Republicans (0 or 0%)

Democrats (42 or 93%)

Akaka, Baucus, Biden, Bingaman, Boxer, Bradley, Breaux, Bryan, Bumpers, Byrd, Conrad, Daschle, Dodd, Dorgan, Exon, Feingold, Feinstein, Ford, Glenn, Graham, Harkin, Heflin, Hollings, Inouye, Johnston, Kennedy, Kerry, Kohl, Lautenberg, Leahy, Levin, Lieberman, Moseley-Braun, Moynihan, Murray, Pell, Pryor, Reid, Rockefeller, Sarbanes, Simon, Wellstone

NOT VOTING (1)

Republicans (0)

Democrats (1)

Mikulski-[2]

EXPLANATION OF ABSENCE:
1—Official Buisiness
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

In addition to overall totals, budget resolutions contain totals for broad function categories. They do not dictate the amounts to be spent on specific programs, but they are based on assumptions by Members of spending levels for specific programs. The required 7-years savings in outlays below the current-law baseline are $957.5 billion. Noteworthy spending reductions, including reductions based on specific assumed program savings, are detailed below.

- Approximately 180 specific agencies, programs, and spending categories will be eliminated or phased out, including the following: the Office of Personnel Management; the National Endowment for Democracy; non-Department of Defense broadcasting (except for Voice of America, Radio Marti, and Radio Free Asia); aid to European countries; the Bureau of Mines; the Interstate Commerce Commission; AMTRAK operating subsidies; highway demonstration projects; the Office of the Surgeon General; and the Davis-Bacon Act; as amended, the resolution will not assume the elimination of the Appalachian Regional Development Commission (see vote No. 188) or of public funding for presidential campaigns (see vote Nos. 196 and 197);
- The Commerce Department will be eliminated;
- non-defense discretionary spending will be cut by approximately $180 billion over 7 years, including by consolidating numerous duplicative programs in the health, education, and welfare areas of the budget;
- Medicare spending will be allowed to increase at twice the rate of inflation, or 7.1 percent per year, for the next 7 years, instead of at the projected growth rate of over 10 percent (if the program were allowed to continue on its present expenditure path, it would be bankrupt by 2002, according to the Clinton Administration which proposed in its budget to allow the program to continue without any changes); the 7-year savings will by $256 billion (see vote Nos. 173-174, 207, 209, 218, and 223 for related debate);
- Medicaid will be transformed into a block grant program for a 7-year savings of $175 billion;
- Defense spending will be reduced by $24.5 billion; it will be cut from its current level of $270 billion to $255 billion, and then will be allowed to grow back to $270 billion (see vote Nos. 180, 181, 204-205, 217, 221, and 227 for related debate);
- Foreign aid will be reduced by $18.1 billion over 7 years;
- Spending on farm programs will be reduced by approximately $12 billion over 7 years;
- Spending on Congress will be reduced by $1.4 billion including by freezing Members' pay for 7 years;
- spending on the education, job training, employment and social services function will be reduced by approximately $53 billion below the current projected $394 billion spending level, though current-law funding will be provided for major education programs, including Head Start, Chapter I, Pell Grants, Special Education, and Community Services Block Grants (see vote Nos. 175, 179, 181, 184, 185, 216, and 219-220), and for certain other direct spending programs (see vote No. 231);
- the rate of growth in the Earned Income Tax Credit Program will be slowed (see vote Nos. 176 and 179 for related debate);
- Welfare reform savings will total $80 billion over 7 years, though more than $800 billion will still be spent on the following few income assistance programs alone--Food Stamps, Aid to Families with Dependent Children, Supplemental Security Income, the Earned Income Tax Credit, and the Women, Infants, and Children program; and
- National Institutes of Health funding will not be reduced (see vote No. 186).

Lower Taxes:

According to the Congressional Budget Office, up to $170 billion in savings to the Federal Government will accrue from balancing the budget as outlined in this resolution as a result of declining debt service payments. Those savings will be used to finance middle-class tax cuts and tax incentive programs (see vote No. 214).

It is the sense of the Senate that:

- the funding totals in this resolution reflect the assumption that a uniform Federal accounting system will be adopted;
- no more than 20 percent of the required agricultural savings should come from commodities programs;
- lobbying expenses should not be deductible;
- the increased revenues resulting from the revision of the tax code to prevent millionaires from avoiding taxes by renouncing their citizenship should be used to eliminate the earnings penalty imposed on low and middle income senior citizens receiving Social Security (see vote No. 202);
- reducing Medicare fraud should be a high priority (see vote No. 174);
- funds will be spent to reimburse States for the costs of implementing the National Voter Registration Act (see vote No. 192);
- nutritional standards for Federal programs for children should not be lowered (see vote No. 206);
- Federal law enforcement efforts should be maintained;
- Power marketing Administrations will not be sold (see vote No. 212); and
- the Essential Air Service program should continue to receive sufficient funding.

It is the sense of the Congress that:

- a temporary, bipartisan advisory commission on the Consumer Price Index should be formed to recommend changes;
- 90 percent of the tax cuts provided by this resolution must go to working families with incomes less than $100,000;
- a Bipartisan Commission on the solvency of Medicare should be formed to make recommendations concerning the most appropriate response to the short-term insolvency and long-term sustainability issues facing Medicare; and
- No Member of Congress or the Executive Branch may use campaign funds or privately donated funds to defend against sexual

harassment lawsuits (see vote Nos. 196-197).

Budget procedures:

- discretionary spending caps will be extended through fiscal year 2002;
- a 60-vote point of order (firewall) will be reestablished against transferring funds between defense discretionary and nondefense discretionary programs (see vote No. 217 for related debate);
- emergency spending outside the spending caps will be allowed by a three-fifths majority (60) vote;
- a 60-vote point of order in the Senate will lie against considering any direct spending or receipts legislation that will increase the deficit in the first year that it is in effect, over the first five years that it is in effect, or over the subsequent five years that it is in effect;
- proceeds from the sale of Federal assets will be counted in budget calculations (see vote No. 190); and
- funding for tax compliance initiatives should be on-budget, and this resolution assumes full funding for such initiatives (see vote No. 195).

NOTE: Immediately prior to final passage, the Senate struck all after the enacting clause and inserted in lieu thereof the text of S. Con. Res. 13, as amended.

Those favoring final passage contended:

After extensive debate and more than 60 rollcall votes, this budget resolution has emerged relatively unscathed. Republicans have carefully stuck to their goal of first balancing the budget by cutting spending, and of second ensuring that any fiscal dividend that accrues from balancing the budget will be returned to the American people in the form of tax cuts. Democrats offered an unprecedented number of amendments, which fell into two categories. First, they wanted to spend the fiscal dividend, which they had no hand in helping to create, on various Government programs. Second, they wanted to raise taxes, usually by closing unspecified tax "loopholes," in order to increase Federal spending. Though we disagreed with our colleagues' priorities, we are thankful that they at least made an effort to keep their proposals deficit neutral. We are not certain that their proposals to spend the dividend were actually deficit neutral, because proposing to spend that money before it exists could lessen the market confidence that is needed to make it exist. However, they perceived their efforts to be deficit neutral, and for that at least they are to be commended. Further, those Democrats who are joining us in voting for final passage are also to be commended. They do not necessarily agree with all or even most of the spending assumptions in this resolution, but they do agree that the top priority must be to balance the budget, and they recognize that this budget resolution will accomplish this task.

In the 1960's, deficits were averaging $16 billion per year; in the 1970's, they averaged $38 billion a year; in the 1980's, they averaged $156 billion per year; and so far in the 1990's they have averaged $259 billion a year. This year we will borrow 11 cents of every Federal dollar spent. Our budget deficit stands at $175 billion, and it is growing relentlessly at the rate of $335,000 a minute. This debt, plain and simple, is mortgaging our children's future. A child born today will have to pay an additional $100,000 in added taxes to pay just the interest on the debt which will accumulate during the next 18 years. Our gross Federal debt is not only harmful to future generations--it is hurting every American right now. The per capita share of that $4.9 trillion debt currently stands at $18,500. The Bipartisan Concord Coalition has estimated that this burden has lowered the income of American families by an average of $15,000 per year. According to the New York Federal Reserve Bank, deficit spending between the years 1978 and 1990 reduced gross domestic product by 5 percent. Under President Clinton's proposed budget (see vote No. 172), deficit spending will continue to climb, and the per capita debt burden will grow to $23,700. The United States is heading for a massive fiscal train wreck if it does not get its spending under control.

The problem is not that the American people are taxed too little, but that the Federal Government spends too much. In the 1950's, the average American family paid around 2 percent of its income in Federal taxes; now it sends more than a quarter of its income in taxes to Washington. Counting State and local taxes, the burden on the average family is currently more than 40 percent. As tax collections have increased, spending has increased even faster.

In the past decade, efforts to stop deficit spending can be summed up as tax increases and defense spending cuts. Defense, in real terms, has been nearly halved, and domestic discretionary spending has remained constant. However, deficit spending has not been brought under control by these efforts because entitlement spending, particularly on Medicaid and Medicare, has grown uncontrollably. The conventional wisdom, which unfortunately has been followed, has been that daring to address the causes of escalating spending would be political suicide. In the case of Medicare, uncontrolled spending has not only been part of the reason for our country's fiscal crisis, it has also led to a situation where Medicare itself is now dangerously close to bankruptcy. If nothing is done to save the program, Medicare will go broke in 2002.

Balancing the budget, according to the economic forecasting firm DRI/McGraw-Hill, will increase America's economic output by 2.5 percent over the next 10 years, adding a minimum of 2.4 million new jobs. Further, the General Accounting Office (GAO) estimates that the average family income will increase by as much as $11,200 in the next 30 years as a result of balancing the Federal budget. Further, interest rates should drop by at least 1.7 percent. Thus, balancing the budget, as this resolution will, will mean more economic growth, more jobs, higher incomes, and lower interest rates.

This budget resolution, unlike any previous budget resolutions, will confront these problems. It will achieve savings in Medicaid by making it a block grant program, thereby slashing layers of Federal bureaucracy. It will demand a slowing of the rate of outlays from the Medicare trust fund to prevent it from going bankrupt, and will call for the establishment of a bipartisan commission to recommend Medicare reforms. Certainly many market-oriented reforms have been proposed, and we are confident that a bipartisan commission could agree on an approach. Past commissions, such as the commission that saved Social Security from bankruptcy in the early 1980s, have succeeded. The last thing we need to do is ignore the problem.

The resolution will also make significant reductions in the rate of spending for numerous other social programs. These reductions are difficult for our Democratic colleagues to accept, as is evinced by their numerous amendments to increase taxes to pay for more social spending. The only significant spending proposals that they could come up with were in, of course, defense. For many Republicans, the defense cuts that are already in this resolution are too extreme, but they represent a compromise position that could win support from most Senators because they were the same cuts that were proposed by the President. Unlike most of the other proposed spending "cuts" in this resolution, these defense cuts are real--we will spend less next year on defense, in nominal terms, than we will spend this year. For most of the other "cuts" in this resolution, we will still spend more, but we will not spend quite as much more as originally planned. In total, Federal spending will grow an average of 3.3 percent per year under this budget resolution.

Significantly, though, the expected annual growth rate of the economy will be over 5 percent. In other words, the size of the Government relative to the size of the economy will actually shrink over the next 7 years. In analyzing this budget proposal, the Congressional Budget Office has found that balancing the budget by cutting spending should result in lower interest rates that will produce a $170 billion fiscal dividend. This expected fiscal dividend has created a great deal of controversy in the Senate. Most Democrats, by their votes, demonstrated that they thought that the best use for that dividend would be to spend it. Many Democrats, and many Republicans, thought the best use would be to use it to further reduce the debt. In the end, though, the majority opinion was that once the budget is balanced, that $170 billion surplus should be given back to the American people in the form of family tax relief and economic growth incentives (see vote No. 214). The split, generally along party lines, over how to use the fiscal dividend represents a clear ideological difference between Democrats and Republicans. Democrats believe in a large, beneficent Federal Government; Republicans believe in a smaller, more efficient, less burdensome Government; Democrats believe in the ability of Government to spend money wisely; Republicans believe in the ability of people to spend their own money wisely.

We doubt that any Senator is entirely satisfied with every number and assumption in this budget resolution. The scope of budget resolutions is so large that compromises are inevitable. However, the core aspects of this resolution--that it will balance the budget by reducing spending, that it will control entitlement spending; that it will reduce the size of the Federal Government; and that it will provide needed tax relief--make it truly historic. The totals in this resolution are binding--it is giving us an enforceable blueprint to save our country from bankruptcy. For our children and our grandchildren, we are proud to cast our votes in favor of final passage.

Those opposing final passage contended:

Our opposition to this resolution can be summed up in one word: priorities. We commend our Republican colleagues for rising to the difficult challenge of crafting a balanced budget proposal, but we cannot agree with the means they have chosen for reaching that balance. The poor, the weak, the disabled, and the young will all be severely hurt by this resolution. Vague promises to reduce the cost of Medicare may actually result in the average elderly American on a fixed income paying thousands of dollars more in medical bills each year. Severe cuts in Medicaid may result in 800,000 elderly and disabled Americans being denied health care, and between 5 million and 7 million children may tumble through the safety net. The Republican cuts in the Earned Income Tax Credit will act as a $20 billion tax increase. The cuts in agricultural programs are especially severe, considering that with defense these programs have been the favorite target of budget cutters in recent years. In education, this resolution will also make extreme, short-sighted cuts that will deny tens of thousands of low-income students the opportunity to receive higher education, and that will cut funding for Head Start and special education to even more inadequate levels than their current funding levels. Right down the line, this Republican budget resolution is intended to balance the budget on the weakest and most needy of American citizens.

At the same time, it will not call for any sacrifices from those who are most able to give more, the wealthy. No new taxes will be imposed, and even more egregiously, none of the existing tax loopholes that let millionaires escape paying their fair share in taxes will be closed. During this debate, Republicans repeatedly challenged Democrats to come forward with their own balanced budget proposals. Late in the debate, Democrats rose to the challenge with two substitute amendments. Though many Democrats were not happy with those proposals, they were fairer than this resolution. Both of them contained deep cuts in Medicare, Medicaid, and social programs, but they also contained cuts in tax loopholes for wealthy Americans. They spread the burden equally on all Americans.

Neither amendment was one-sided--both represented true compromise proposals. Sadly, our Republican colleagues are not interested in compromising. They are interested in passing a budget that meets their priorities, without taking into consideration the views of Democrats. This lack of bipartisanship does not bode well for the future success of this budget resolution. Without a bipartisan agreement, we do not think that the priorities in this resolution will be followed for more than one or two years. The problem is too large for one party to solve by itself. In the end, we must vote against this budget resolution, because we think it is unfair and will therefore eventually fail.